



**FINANCE, REVENUE & BONDING COMMITTEE
MARCH 11, 2013
TESTIMONY OF COMMISSIONER KEVIN B. SULLIVAN
DEPARTMENT OF REVENUE SERVICES**

Excerpt Re: HB 6566

HB 6566 – AN ACT CONCERNING TRANSPARENCY IN ECONOMIC ASSISTANCE PROGRAMS.

Governor Malloy, Commissioner Smith and I all share with Comptroller Lembo the goal of increasing transparency with respect to the impact of state taxes and business tax benefits. In fact, this is a major recommendation of the Governor's Business Tax Task Force – but only on the basis of careful and collaborative development of appropriate proposals. Since that work is only just beginning but will be done within the year, why not see what reporting improvements are made before deciding if legislation is required. In any event, all such reporting must be limited by the strict protection of taxpayer record information under CGS 12-15, non-disclosure of proprietary information and non-disclosure of information that would have the effect of competitively disadvantaging business taxpayers just because Connecticut is investing in them. I know that Commissioner Smith is submitting written testimony with respect to DECD. As to Section 3, if DRS had the resources to do tax incidence analysis, we would already be doing it. This will require half a million dollars or more new funding either for staff and software licensing or for consulting expenses. The required cost at DECD, DRS and DOL to REMI-model hundreds of small grants, loans, credits and other business tax benefits will be even

greater. Alternatively, you might just determine that this is more appropriately a role for your own legislative oversight through OFA.